MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) A foreign banking company of finance company would be allowed to participate as a technical collaborator or a co-promoter. Their participation in the primary equity of the new private sector bank will be restricted to 20 per cent.

(c) Consequent upon issue of guidelines for setting up new banks in the private sector, RBI have received 140 proposals|applications. Such request have been received from financial institutions, corporate bodies, firms/associations and individuals. The break up in this regard is given below:—

1.	Financial institutions . .	5
2.	Finance Companies . .	38
3.	Other corporate bodies . .	22
4.	Firms/Trust/Associations .	27
5.	Individuals . .	48
		140

The proposed new banks will attend to core banking activities.

Setting up of private banks in the country

479. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) how many applications have been received by the Reserve Bank of India to set up private banks in the country;

(b) how many applications, out of the above, have been cleared so far by the Reserve Bank of India;

(c) the number of applications which are pending and how many have been rejected;

(d) whether it is also a fact that the Reserve Bank of India has received suggestions for the liberalisation of terms and conditions for setting up private banks; and

(e) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) As on 31.10.93, the Reserve Bank of India (RBI) had received 140 applications/proposals for setting up new banks in the private sector. Out of these only 19 are in the prescribed form.

(b) RBI have given 'in principle' approval in the case of four applications.

(c) No application has so far been rejected by Reserve Bank of India. Remaining applications|proposals are at various stages of processing.

(d) and (e) Reserve Bank of India have received certain suggestions for liberalisation of terms and conditions for setting up new banks in the private sector. These suggestions are receiving the attention of the Government and the Reserve Bank of India.

Rise in inflation rate

480. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inflation rate has been rising higher and higher since August this year;

(b) if so, what is the weekly increases registered since August, 1993 and the corresponding wholesale price index readings; indicating the component-wise increasesis;

(c) the main reasons for the rise in inflation and the commodity-wise prices; and

(d) The steps taken to effectively curb the trend?